

ATTACHMENT 2

**Procedures for Conversion from Present
Machine Method to Manual System**

See
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MANUAL

4/8/59

A. Base Level

1. Unless the Base has completed a physical inventory within six (6) months prior to the date of conversion, an inventory will be conducted. This is essential to insure the accuracy of the manual records.

2. A scheduled date will be specified at each Base for the implementation of the procedures in [REDACTED]. This date will coincide with the discontinuance of the machine system for processing the supply documents of the Base and will be established as of the close of business for a given month.

3. All documents representing property transactions prior to the conversion from the machine to the manual system will be dispatched to the Supply Control Center by the most expeditious means. The transmittal should indicate the last debit, credit, and adjustment voucher numbers assigned, cancellations of any voucher numbers, and also any credit voucher numbers assigned to requisitions representing due-out actions only. This transmittal will enable the Supply Control Center to complete the log of documents received from the Base, and insure that all required documents are processed under the machine system.

4. Effective on the scheduled conversion date, Base Supply and Finance Officers will process all property vouchers as prescribed in [REDACTED]

5. The Base Supply Officer will price and extend Base stock record cards in order to determine the monetary value of each line item.

6. The Base Supply Officer will post the quantities and values shown on the stock record cards to the preprinted IBM listings furnished by the Supply Control Center. (See paragraph E.1., Supply Control Center Procedure.)

7. The Base Finance Officer will prepare a journal voucher to record the total value reflected on the machine tabulation of inventory accounts, via; Material On Hand, In Use, In Transit, and On Loan debiting the appropriate inventory account and crediting the Headquarters Accountability account. (See paragraph B.3., Supply Control Procedure.)

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8. The Base Finance Officer will prepare a journal voucher to record the schedule of Accounts Payable received from the Finance Officer at the Supply Control Center as a debit to account 495 Headquarters Accountability and a credit to account 303.2 Accounts Payable - Property. He will follow-up, with the assistance of the Base Supply Officer, and transfer to Headquarters those items for which he obtains billings from the respective vendors. (See paragraph B.6., of Supply Control Procedure.)

9. The Base Supply Officer will prepare a Report of Inventory adjustment to reflect the dollar value representing the differences between the Status reports submitted by the Supply Control Center and the values as shown on the listing prepared in paragraph A.6., above. A Report of Inventory Adjustment will be prepared for each account category as appropriate; On Hand, and In Use, and will reflect for each account total monetary difference within each family group. The Report of Inventory Adjustment will be supported by a copy of each listing referred to in paragraphs A.6., and A.7., above.

10. The Base Finance Officer will prepare journal vouchers to record the Reports of Inventory adjustment debiting and crediting the appropriate inventory account with contra debit or credit to account 623 Property Cost Adjustment.

11. The Base Finance Officer will follow-up and clear, with the assistance of the Base Supply Officer, the items appearing as outstanding on the schedule of items appearing in Transit submitted by the Finance Officer at the Supply Control Center. (See paragraph B.7., Supply Control Center Procedure.)

B. Supply Control Center Level

1. At least one month in advance of the scheduled conversion, pre-printed status (IBM) listings will be prepared for the appropriate Base(s). Separate listings will be prepared for the property "On Hand", "In Use", and "On Loan" accounts. These listings will be by material groups and will reflect the stock number, nomenclature, and unit of issue but will omit the unit price and quantitative data. Two copies of the listings will be provided for the Base Supply Officer to assist him in preparing a Report of Inventory Adjustment. (See paragraphs A.6., and A.8., of Base Conversion Procedure.)

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2. Priority will be given to processing the documents from those Bases scheduled to be converted from the Machine to the Manual Method to insure that all documents received from a Base are processed so that the status reports (paragraph B.3., below) will include the same documents as reflected on the Base Supply Officer's stock record cards.

3. As of the scheduled conversion date, the Machine Records Unit, upon completion of processing all documents for the particular Base, will prepare status reports for the specified Base. These reports will reflect the Stock Status of the various property accounts, via; On Hand, In Use, On Loan, and In Transit, and distribution of the reports will be as follows:

Finance Officer, Supply Control Center - one copy.
Machine Records Unit, Supply Control Center - one copy.
Office of Logistics, Headquarters - one copy.
Finance Officer, Base indicated - one copy.
Supply Officer, Base indicated - two copies.

(See paragraph 7 of Base Conversion Procedure.)

4. As of the scheduled conversion date, the Finance Officer will close the nominal accounts (600 series) into the Headquarters Accountability account and will continue to do so thereafter on a monthly basis. Copies of the journal vouchers (in duplicate) reflecting these entries will be sent to Headquarters as part of the monthly financial property reports. These journal vouchers will be supported by a schedule similar to the monthly cost report. After posting these entries to the general ledger, the only accounts remaining in the records will be the Inventory, Liability, and Headquarters Accountability Accounts.

5. The Finance Officer will use the copies of the status reports received in paragraph B.3., above, to support a journal voucher debiting the Headquarters Accountability account and crediting the appropriate Inventory Accounts. Copies of this journal voucher will be sent to Headquarters as part of the monthly financial property reports.

6. The Finance Officer will prepare a schedule of the outstanding documents appearing in the Accounts Payable account as they pertain to the specific Base. This schedule will be submitted to the appropriate Base for inclusion in the Financial Property Records of that Base. A copy of this schedule will be used to support a journal voucher debiting account 303.2 Accounts Payable Property and crediting account 495 Headquarters Accountability Account. Copies of this journal voucher will be submitted to Headquarters as part of the Monthly Financial Property Report. (See paragraph A.3., of Base Conversion Procedure.)

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7. The Finance Officer will prepare a detailed schedule of outstanding documents appearing in the In Transit account as they pertain to the specific Base. The schedule will show the date, debit or credit voucher numbers, pertinent location codes, and the monetary value of the shipment. (See paragraph A.11., of the Base Level Procedure.)

8. The Machine Records Unit will prepare history listings from stock accounting punch cards for certain transactions processed in the Supply Control Center. Listings will be single spaced on single copy paper and will show all of the information that is punched into the cards. These listings will be as of the close of business on the conversion date at each base.

- a. All history transaction cards for Headquarters (location III).
 - (1) Sort each transaction (68, 73, 75, 76, 83, 85 etc.) separately by Stock Number (Minor) Voucher Number (Intermediate) Fiscal Year (Major).
 - (2) List, showing value totals for each Voucher and each Fiscal Year.
- b. Items received from Headquarters' In Transit account (Supply Control Center transactions 24, 25, 34 and 35).
 - (1) Using all history transaction cards, combine, and sort each Station separately by Stock Number (Minor) and Voucher Number (Intermediate) and Fiscal Year (Major).
 - (2) List, showing value totals for each Voucher, Fiscal Year and Station location.
- c. Cash Purchases, (Supply Control Center transactions 21, 22, 31, 32 and 91).
 - (1) Using history transaction cards, combine, and sort each Station separately by Stock Number (Minor) and Voucher Number (Intermediate) and Fiscal Year (Major).
 - (2) List, showing value totals for each Voucher, Fiscal Year and Station location.
- d. Credit purchases overseas with payment effected at Headquarters (Supply Control Center transactions 23, 33, and 92).

- (1) Using history transaction cards, combine, and sort each station separately by Stock Number (Minor) Voucher Number (Intermediate) and Fiscal Year (Major).
 - (2) List, showing value totals for each Voucher, Fiscal Year and Station location.
- e. All remaining transactions will be sorted by transaction and listed giving value totals for each Voucher, Fiscal Year and Station location.
9. The Supply Control Center will box, label, and ship to Headquarters, Attention: Finance Division:
- a. Completed log of documents for each Station.
 - b. Property Vouchers pertaining to the log ((a) above) from the date of inception of the machine method to the conversion to the manual method for the specific base.
 - c. The listings prepared in paragraph 8 above.
10. Upon completion of the conversion of all bases to the Manual Method the records of the Finance Officer together with supporting documentation will be dispatched to Headquarters, Attention: Finance Division.
11. At the time the conversion to the Manual Method is completed at all Bases, the Machine Records Unit will:
- a. Destroy all history card files.
 - b. Submit to Headquarters, for disposition instructions, an inventory of the supplies i.e., plug boards, cards, forms, etc., used with the IBM equipment.